

**OSCODA-WURTSMITH AIRPORT AUTHORITY
BOARD OF DIRECTORS
March 31, 2023 (Rescheduled from March 16, 2023)
Meeting Minutes**

This meeting was conducted within the Airport Terminal Conference Room, located at 3961 E. Airport Drive, Oscoda, Michigan 48750.

I. Chairman Boyat called the meeting to order at 10:00 a.m.

II. Roll Call:

KEVIN BOYAT	PRESENT
KEVIN BELIVEAU	PRESENT
ROB HUEBEL	ABSENT
BILL PALMER	PRESENT
JOHN SWISE	PRESENT
MIKE MUNSON	PRESENT
DAVE DAILEY	ABSENT

OTHERS PRESENT:

JAMIE DOWNES - AIRPORT MANAGER
BRENDA MCNEILL – ADMINISTRATIVE ASSISTANT
JACK BROWN – ASSISTANT AIRPORT MANAGER
ROB EPPERT – ATTORNEY
OSCODA PRESS REPORTER
GREG SCHULZ

III. ADOPTION OF AGENDA

Mr. Downes reported changes to the agenda including the date of the meeting, swearing in of the Oscoda Township Supervisor and cancelling the closed session.

Chairman Boyat called for the adoption of the agenda with changes as presented.

Mr. Munson made a motion to approve the agenda as modified. Mr. Beliveau supported the motion. All in favor, motion carried by voice vote.

Mr. Downes read the Oath of Office to Mr. Bill Palmer, Oscoda Township Supervisor.

IV. Approval of Minutes

A. January 19, 2023 Regular Meeting

Chairman Boyat called for approval of the January 19, 2023 regular meeting minutes.

Mr. Munson made a motion to approve the meeting minutes of January 19, 2023, as presented. Mr. Swise supported the motion. No further questions or comments. Motion carried by voice vote.

V. Anderson, Tackman Audit Presentation

Mr. Ken Talsma - of the auditing firm Anderson, Tackman & Company, PLC completed the audit of OWAA FY 2022 financial activities and record keeping. A draft copy of the resulting audit report was provided to members of the Airport Board. Mr. Talsma participated in this meeting via TEAMS.

Mr. Talsma began with the opinion statement. He reported Oscoda-Wurtsmith Airport Authority received the highest opinion, which was unmodified or the clean opinion.

Mr. Talsma discussed the GASB 87 standard and the balance statement. The GASB 87 standard now covers the long-term and short-term effects of lease agreements and will now be recorded in financial statements. The purpose of GASB 87 will help provide transparency.

Mr. Downes asked Mr. Talsma to also discuss the additional work involved in capturing data for the GASB 87 requirements and the additional invoicing of \$800 for that work. Mr. Talsma confirmed the additional \$800 invoice was for initial work and disclosures relating to GASB 87 requirements. Mr. Talsma also added that now that the schedules are created the work moving forward will not result in additional billing.

Mr. Palmer asked where the back owed lease revenue and collections that are due to the airport were being reported in the audit. Mr. Talsma reported on page 12 of the audit would account for allowances that would cover tenants who have fallen behind and/or collections. The amount is based on history and anticipation of late payments.

Mr. Downes asked when/if the late payments/collections are received, where the money will be categorized. Mr. Talsma said the monies would come out of receivables and put into cash for the correct period.

Mr. Beliveau made a motion to accept the FY2022 financial audit report and approve the additional \$800 invoice for work involved in the initial gathering of data to meet GASB 87 requirements. Mr. Swise supported the motion. Mr. Beliveau, Yes, Mr. Palmer, Yes, Mr. Munson, Yes, Mr. Swise, Yes, Mr. Boyat, Yes. Motion carried.

The services provided by Anderson, Tackman & Company, PLC also include translating the Airport Authority's annual financial statements into Internal Revenue Service income tax report and electronic filing procedures.

Mr. Swise made a motion for Staff to work with Anderson, Tackman & Co. to proceed with filing the proposed annual income tax report with the Internal Revenue Service at a cost of \$500. Mr. Munson supported the motion. Mr. Palmer, Yes, Mr. Munson, Yes, Mr. Swise, Yes, Mr. Beliveau, Yes, Mr. Boyat, Yes. Motion carried. Motion carried.

VI. CLOSED SESSION - REMOVED FROM AGENDA

VII. Financial Activities

A. January 2022

Ms. Richards and Mr. Downes reviewed bank statements and financial transactions during the month of January 2023. A listing of bills processed for payment, totaling \$128,197.72, was provided to the board. Payments of 14K x 2, Fuel farm demo were noted. Total deposits of \$205,714.03 were also noted, highlighting, other than lease revenue deposits of 13K for CRRSAA, 50K from the LDFA and 1,500 for Grant reimbursement and 1,200 for short term hangar rental. No discrepancies were found.

Mr. Beliveau made a motion to approve the January 2023 financials report, which includes payment transactions totaling \$128,197.72. Mr. Munson supported the motion. Mr. Beliveau, Yes, Mr. Palmer, Yes, Mr. Munson, Yes, Mr. Swise, Yes, Mr. Boyat, Yes. Motion carried.

B. February 2023

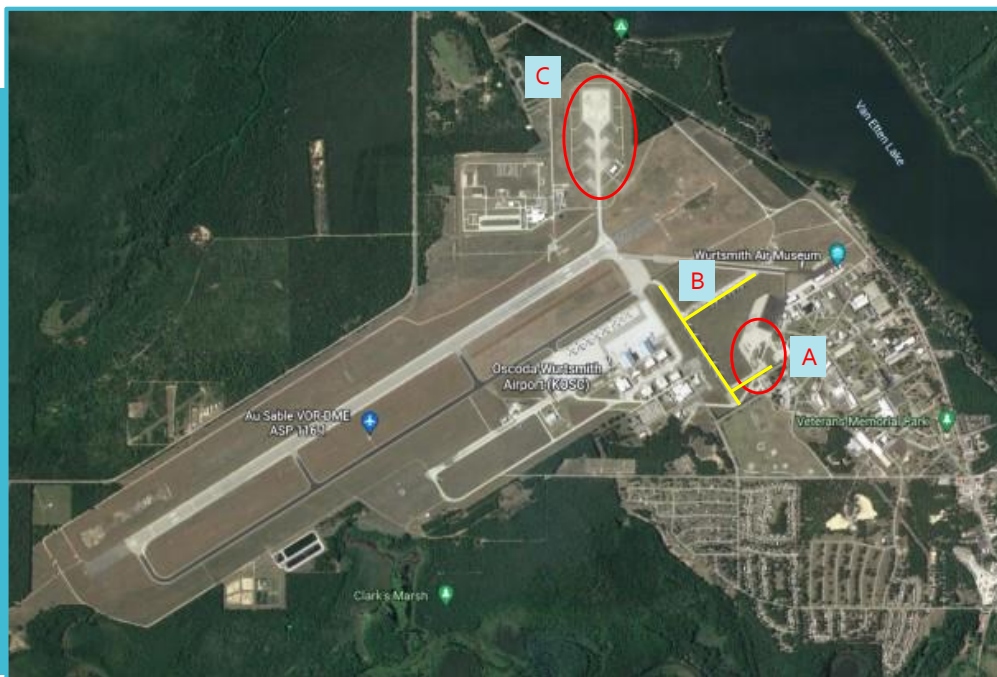
Mr. Beliveau and Mr. Downes reviewed bank statements and financial transactions during the month of February 2023. A listing of bills processed for payment, totaling \$524,627.48, was provided to the board. Payments of \$368K for our taxiway local match portion, \$27K for rock truck purchase, 10K for USA Jet tax reimbursement, and \$14K demolition project, and 5K for dozer rental were noted. Total deposits of \$65,222.78 were also noted. Other than lease revenue deposits of 8K for engine sales were noted.

Mr. Munson made a motion to approve the February 2023 financials report, which includes payment transactions totaling \$524,624.48. Mr. Swise supported the motion. Mr. Beliveau, Yes, Mr. Palmer, Yes, Mr. Munson, Yes, Mr. Swise, Yes, Mr. Boyat, Yes. Motion carried.

C. Operation “Clean Slate” Apron / Salvage Project Briefing

Mr. Downes reported on expanding operations, increasing revenue to meet demand and cost, and the need to focus our effort and attention on our “center of gravity”, our pavement. The runway, aprons, taxiways and parking space are the greatest assets and need to be maintained and reconstituted. We have secured the relocation of the entire Kalitta salvage operation to the alert apron, opening Taxiway I, J and K, which then opens the apron and acreage for future development. As part of the plan, we will add roads, gates and fences to ensure aircraft and personnel movement. Our future ALP already includes future development in these areas.

Cost is covered by current recovered funds, asset sales, and various forms of “other” income taken in this FY. ROI is solid. This will include a 10K to 30K annual increase for salvage operation and a potential additional 96k a year for apron, and hangar rental. DoD is already interested in renting our ‘grass” out in front of the terminal this summer for Northern Strike. 2nd quarter amendments will increase the appropriate category to cover the expenses, minus insurance, as our budget savings for FY23 were substantial and will cover the cost.



OVERHEAD

- A. Apron
- B. Twys
- C. New Kalitta Salvage Area





Expansion Update

- Salvage Operation moved
- Taxiway I, J and K will re-open
- Clear tug/Taxi to dedicated USA Jet apron
- Apron is set to be recovered
- Gates added in front of USA jet and near 5009
- Road cut-in near 5009
- Historical survey ordered for Hgr extension
- Room for Line and Storage Building growth
- Apron, Hgr 1, Line and Cell inside of Airfield fence line. Secondary structures inside secondary fence line.

Mr. Munson made a motion to approve the expansion project as presented. Mr. Beliveau supported the motion. Mr. Palmer, Yes, Mr. Munson, Yes, Mr. Swise, Yes, Mr. Beliveau, Yes, Mr. Boyat, Yes. Motion carried.

D. 2nd Quarter Budget Amendments

Budget amendments included the movement of Engineering expense from the Operating Budget to the Capital Improvement Budget to support the environmental assessments (CATEX) for the Run-up shelter and Hangar 1 extension and historical Surveys for Hangar 1. Both are critical to future lease agreements and construction/expansion plans. The historical survey will be reimbursable from the new tenant. The survey will be good for three years.

In addition, Operation “Clean Slate” we will require 163K to reimburse the purchase of equipment, rent equipment and pay for, crack sealing, concrete and paint to reconstitute the apron and taxiway, I, J and K. Our increased revenue and recovered funds more than pay for the reinvestment into airport capital improvement and build a solid ROI, and future revenue.

Oscoda-Wurtsmith Airport Board Meeting
 March 31, 2023



**FY 23 QTR 2
 CIB
 Amendments**

Clean Slate:

- 30K Equip
- 15K Gates and Fence
- 65K Equip Rental

Other:

- 15K Eng and Consul
- Minus 5k TWY A / 10K from GOPS

Capital Improvement - Expenses	Adopted	Amended	Percent
40 General Office Equipment	\$ 7,500.00		97%
41 Radio - NAVAIID Equipment	\$ 5,000.00		0%
42 Landside Infrastructure	\$ 10,000.00		30%
43 Landside Equipment Purchases	\$ -	\$ 30,000.00	#DIV/0!
44 Airside Infrastructure	\$ 10,000.00	\$ 25,000.00	1%
45 Airside Equipment Purchases	\$ 30,000.00		112%
46 Airside Pavement Repairs	\$ 5,000.00		0%
47 Large Equip. Capital Repairs	\$ 15,000.00		85%
48 Buiding Improvements	\$ 283,000.00	\$ 283,000.00	41%
49 Building Demolition	\$ 75,000.00		51%
	\$ -		
50 Engineering / Prof. Svces - Capital Imp. Projs.	\$ 40,000.00	\$ 55,000.00	20%
	\$ -		#DIV/0!
51 MEDC - Site Readiness Design and Grant Acq	\$ 105,000.00		0%
	\$ -		
Budgeted Capital Imp. Expenses	\$ 585,500.00	\$ 249,479.75	43%
Budgeted AIP Funded Projects - Local Match			
FY2022 Taxiways A, B, C Rehab Design &	\$ 375,000.00	\$ 370,000.00	98%
Budgeted Capital Improvement Projects			
FY23 Flight Street Construction	\$ 500,000.00		0%
Fuel Farm and Building Demo	\$ 50,000.00	\$ 50,000.00	84%
Operation Clean Slate		\$ 65,000.00	
Budgeted Capital Expenses - Sub-Total	\$ 1,510,500.00	\$ 690,288.75	44%
Capital Revenue	\$ 747,000.00	\$ 152,809.70	20%
Total Capital Expenses	\$ (763,500.00)	\$ (507,479.05)	66%

Resolution 2023-03 Second Quarter Budget Amendments



**FY 23 QTR 2
 GOPS
 Amendments**

Clean Slate:

- 8K PT Labor
- 35K Crack Seal and Cement
- 8K Fuel
- 2K Insurance **NO MOVE**

Other:

- \$1300 Audit / Tax
- Minus 10k Eng

General Staff Expense			
Wages, Full Time	\$ 475,000.00		\$ 168,813.24 35.54%
Wages, Over Time	\$ 15,000.00		\$ 13,275.18 88.50%
Wages, Part Time	\$ 40,000.00	\$ 48,000.00	\$ 10,893.21 27.23%
Medicare	\$ 9,000.00		\$ 3,088.01 34.31%
Social Security	\$ 33,000.00		\$ 13,203.90 40.01%
Medical Insurance	\$ 150,000.00		\$ 53,831.88 35.89%
Medical Prescription Reimbursements	\$ 2,500.00		\$ 573.72 22.95%
Life Insurance/Disability Ins.	\$ 17,500.00		\$ 6,353.56 36.31%
Workers Comp. Insurance	\$ 8,000.00		\$ 3,050.00 38.13%
Retirement	\$ 50,000.00		\$ 16,212.00 32.42%
Unemployment Benefits	\$ 5,000.00		\$ - 0.00%
Casual Labor	\$ -		#DIV/0!
Sub-Total	\$ 805,000.00		\$ 289,294.70 35.94%

Professional Services			
16 Audit and Accounting	\$ 4,300.00	\$ 5,800.00	\$ 4,300.00 100.00%
17 Legal	\$ 35,000.00		\$ 5,185.00 14.81%
18 Radio - NAVAIID Maintenance	\$ 3,000.00		\$ 1,845.92 61.53%
19 Engineering & Consultants	\$ 10,000.00	\$ -	\$ - 0.00%
20 Advertising & Marketing	\$ 7,500.00		\$ 2,174.50 28.99%
21 Prior Accounting / Bookkeeping Services	\$ 12,568.92		\$ 12,568.92 100.00%
22 Current Accounting / Bookkeeping Services	\$ 40,431.08		\$ 4,180.00 10.34%
23 Other Professional Service	\$ 10,000.00		\$ 5,000.00 50.00%
24 Scholarships	\$ 6,000.00		\$ - 0.00%
Sub-Total	\$ 128,800.00		\$ 35,254.34 27.37%
Field and Airfield Maintenance			
25 Airside Maintenance and Repair	\$ 45,000.00	\$ 80,000.00	\$ 32,617.54 72.48%
26 Landside Maintenance and Repair	\$ 10,000.00		\$ 3,484.61 34.85%
27 Vehicle Maintenance and Repair	\$ 40,000.00		\$ 19,708.52 49.27%
28 Airfield Lighting Maintenance and Repair	\$ 10,000.00		\$ - 0.00%
29 Building Maintenance and Repair	\$ 25,000.00		\$ 4,726.72 18.91%
30 Vehicle Fuel	\$ 45,000.00	\$ 53,000.00	\$ 19,998.02 44.44%
Sub-Total	\$ 175,000.00		\$ 80,535.41 46.02%

Resolution 2023-03 Second Quarter Budget Amendments

Mr. Beliveau made a motion to approve Resolution 2023-03, amending the Capital Improvement Budget and the General Operating Budget for 2nd Quarter 2023. Mr. Swise supported the motion. Mr. Munson, Yes, Mr. Swise, Yes, Mr. Beliveau, Yes, Mr. Palmer, Yes, Mr. Boyat, Yes. Motion carried.

VII. Current Business

A. ARPA Contract Signature Approval

The American Relief Plan Act, and the FAA State Block Grant program have obligated 2.8M in funds for MI Airports. MDOT executes FAA grants and requires a resolution providing approval for the Airport Manager to sign for ARPA funds. OWAA is eligible for ARPA funds to reimburse payroll and operating costs during the pandemic. OWAA has already recently received CRRSAA funds for the same purpose, although with no required resolutions or approvals.

Mr. Swise made a motion to approve Resolution 2023-04 for the Airport Manager to sign and execute the contract for ARPA payroll reimbursement funds. Mr. Munson supported the motion. Mr. Beliveau, Yes, Mr. Palmer, Yes, Mr. Munson, Yes, Mr. Swise, Yes, Mr. Boyat, Yes. Motion carried.

B. Drug Free Workplace Policy

The former DFWP policy dated back to 2018 and needed an update and consolidation. The policy has been updated to include the Grant Assurance and FAA requirements and removed the Drug testing section from the policy Manual and moved it to the policy. No major changes were made, mostly administrative in nature but important to execute before projects kick off this summer.

Mr. Beliveau made a motion to approve Resolution 2023-05 for the Board Chairman to sign and Airport Manager to execute the revised Drug Free Workplace Policy. Mr. Munson supported the motion. Mr. Beliveau, Yes, Mr. Palmer, Yes, Mr. Munson, Yes, Mr. Swise, Yes, Mr. Boyat, Yes. Motion carried.

C. USA Jet Inc. Sublease to USA Jet Power LLC

USA jet recently received their FAA 145 Certificate, authorizing them to perform work on external company engines and systems. As they grow, they're separating the engine repair side from the internal maintenance side, to control cost, and apply the expenses to the correct entity. A letter has been written authorizing the sublease. Mr. Downes discussed the sublease with Mr. Eppert and he feels the best and most affective approach is a letter and not a co-signer on the sublease.

All terms, condition and requirements of the Prime Lease to USA Jet Inc will remain, but the liability to hold the Sublessor, USA Jet Power LLC accountable stays with USA Jet Inc.

Mr. Munson made a motion to approve the Chairman to sign a letter authorizing a sublease with USA Jet to USA Jet Power. Mr. Palmer supported the motion. Mr. Munson, Yes, Mr. Swise, Yes, Mr. Beliveau, Yes, Mr. Palmer, Yes, Mr. Boyat, Yes. Motion carried.

D. Lease Review – McNeill

Ms. McNeill reported the updates for several buildings and leases.

Building No. 5335 began with a lease to Madhouse Designs in January of this year. The company will operate a CNC shop.

Building No. 1600 has had recent interest by Alpena Community College for a possible dormitory.

The Airport has begun a new lease for building no. 385 with Instacoat Manufacturing who will be making improvements to the exterior of the building and working on the interior to include storage and expansion of manufacturing.

Ms. McNeill said she and Mr. Downes attended the groundbreaking for a land lease on Perimeter road. The business, Perimeter Road Storage, will be building two self-storage buildings at 3536 Perimeter Road. The buildings are expected to be completed by early summer.

Ms. McNeill reported a parcel of land being leased by the Combat Readiness Training Center in Alpena has been renewed at a rate of \$3,000.00 per year. Previously, the lease did not include a dollar amount.

Ms. McNeill notified the board that Car and Driver Magazine expressed interest in utilizing the taxiway in mid-August to perform high speed testing and photography.

E. April Meeting Move

The April meeting was scheduled for Mid-April due to a possible trip to Atlanta MRO conference. There was not a need this year to attend the conference. There are major projects going on currently and there are existing tenants expanding. Mr. Downes requested the meeting be moved back to the original date of April 20, 2023.

Mr. Swise made a motion to move the April 13, 2023 meeting back to the original date of April 20, 2023. Mr. Munson supported the motion. Mr. Palmer, Yes, Mr. Munson, Yes, Mr. Swise, Yes, Mr. Beliveau, Yes, Mr. Boyat, Yes. Motion carried.

VIII Airport Manager Comments



OWAA Manager Comments

Scholarship

- **Due Date April 1st**
- **Scholarship Committee Interviews 1st 2 weeks of April**
 - **Munson**
 - **Swise**
 - **Boyat**
- **Decision and voting April Meeting**
- **Award May Meeting**

Taxiway A project will begin June 12 – August 4. Mr. Downes has sent letters to tenants advising them of the project.

Mr. Downes provided evaluation forms for his annual review and a “year in review” newsletter outlining projects and milestones for the year. The evaluation forms included a self-addressed stamped envelope for return to the Chairman.

IX. Public Comments

Mr. Schulz asked if the Alert Pad rental included any of the buildings. Mr. Downes said it does not. The buildings in that area are not lease ready.

Oscoda Press asked if further explanation of the GASB 87 requirements would be available. Ms. McNeill said she would provide further information.

X. Board Member Comments

Mr. Beliveau acknowledged contributions from the former Oscoda Township Supervisor, Ann Richards over the years with Oscoda-Wurtsmith Airport Authority board and the Oscoda Township Board. All board members agreed.

Mr. Palmer commented on the OWAA board meeting, stating it has been an enjoyable experience.

XI. Review of Bills and Payments

March - John Swise

April- Mike Munson

May- Kevin Beliveau

XII. Adjournment

Mr. Munson made a motion to adjourn the meeting at 11:45 a.m. Mr. Beliveau supported the motion. All in favor. Motion carried.

Respectfully submitted by Ms. Brenda McNeill on behalf of Mr. Jamie Downes.